

Commissioners' Board Meeting
Thursday, August 26, 2004

The Berks County Board of Commissioners met in regular session on Thursday, August 26, 2004 at 10:40 AM in the Board meeting room on the thirteenth floor of the Berks County Services Center, pursuant to due notice to Board members and the public.

Commissioner Chair Judith L. Schwank called the meeting to order with Commissioner Thomas Gajewski and Commissioner Mark Scott in attendance. Also present were the Chief Clerk Terry L. Styer, Solicitor Alan S. Miller and County Administrator, William E. Dennis.

The Commissioners' Meeting Minutes for August 17, 2004 were approved as published with a motion made by Commissioner Gajewski, seconded by Commissioner Schwank and all voting yes with the exception of Commissioner Scott who abstained from the vote as he was not in attendance at the August 17, 2004 meeting.

On motion by Commissioner Scott, seconded by Commissioner Gajewski, the following Consent Agenda with the exception of Item 5. was approved unanimously and on the Item 5 (Ordinance 4-04,) Commissioner Scott voted no asking that enactment be held pending further review; Commissioners' Gajewski and Schwank voted yes to enact the Interest Rate Swap Ordinance so the motion carried. Prior to the vote, there was a presentation by Financial Advisor, Mark Lundquist and a long discussion followed (see page three of these minutes.)

Consent Agenda

1. Resolutions:

- 384.04 A. Resolution authorizing Edward McCann to sign On-The Job Training Contracts and Subsidized Employment Agreements per list attached to agenda and dated 8/19/04.
 - 385.04 B. Resolution authorizing Commissioner Schwank, as Chair of the Board, to execute Commonwealth of Pennsylvania, Department of Labor and Industry, Grant Recipients Release, Assignment and Closeout forms pursuant to the terms of WIA Grants numbered 015036031; 015034001; 015033001; 15024151 and 015036034 totaling to \$668,693.00
 - 386.04 C. Resolution authorizing 2004 budget Transfers in the amount of \$134,200 and 2004 Budget Appropriations in the amount of \$55,638 per listing dated, August 20, 2004.
2. Motion authorizing execution of Contract Agreements/ Amendments as furnished by the Contract Coordinator, per attached listing dated, August 20, 2004.
3. Motion to Award Invitation to Bid #04-06-RC, a one-year contract for the furnishing of incontinent pads to ATD-American Company with an office at 135 Greenwood Avenue, Wyncote, PA, 19095-1396 at their bid price of \$48.88 per dozen. Estimate annual expenditure is \$14,664.00 (300 dozen.)

4. Motion to authorize payment of invoices under the following Community Development Disbursement Vouchers:
 1. No. 2095- Community Development Block Grant Program
 2. No. 470 – Home Grant Program
 3. No. 471 – Home Grant Program
 4. No. 1226 – Property Rehabilitation Program

5. Enact Ordinance No. 4-04 summarized below:

ORDINANCE OF THE BOARD OF COMMISSIONERS OF THE COUNTY OF BERKS, PENNSYLVANIA, APPROVING AN INTEREST RATE MANAGEMENT PLAN; APPROVING THE FORM OF AN INTEREST RATE MANAGEMENT AGREEMENT RELATING TO ITS GENERAL OBLIGATION BONDS, SERIES OF 1998, ITS GENERAL OBLIGATION BONDS, SERIES OF 1999, ITS GENERAL OBLIGATION VARIABLE RATE DEMAND BONDS, SERIES OF 2002, ITS GENERAL OBLIGATION BONDS, SERIES A OF 2002, ITS GENERAL OBLIGATION BONDS, SERIES B OF 2002 AND ITS GENERAL OBLIGATION BONDS, SERIES OF 2003; AUTHORIZING THE PROPER OFFICERS OF THE COUNTY TO EXECUTE AND DELIVER THE INTEREST RATE MANAGEMENT AGREEMENT; APPROVING THE MAXIMUM RATE OF INTEREST PAYABLE BY THE COUNTY UNDER THE INTEREST RATE MANAGEMENT AGREEMENT AND THE MINIMUM FIXED RATE OF INTEREST PAYABLE BY THE COUNTERPARTY UNDER THE INTEREST RATE MANAGEMENT AGREEMENT; APPROVING THE TERM OF THE INTEREST RATE MANAGEMENT AGREEMENT; COVENANTING TO MAKE PAYMENTS UNDER THE INTEREST RATE MANAGEMENT AGREEMENT; AUTHORIZING THE PREPARATION OF AN AMENDED DEBT SERVICE SCHEDULE FOR EACH SERIES OF BONDS; AUTHORIZING THE PREPARATION OF A TRANSCRIPT OF PROCEEDINGS TO BE FILED WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT; AND AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER NECESSARY DOCUMENTS AND THE TAKING OF OTHER NECESSARY ACTION IN CONNECTION WITH THE FOREGOING.

Mark Lundquist, explained that this ordinance will authorize the transactions to enable the County to swap interest rate agreements on the existing County bonds and provide an additional funding stream to the County General fund of approximately 4 ½ million (net of financing fees.) Mark described this interest rate “Swap” as not uncommon among other Pennsylvania Counties and reminded the board that this is not Berks County’s first interest rate swap transaction.

Commissioner Scott expressed his dismay that this was not on the Commissioners' Workshop agenda for Tuesday. He felt that the public should be fully informed on the subject of this financial transaction. He then asked Mark to describe the fees that all financial advisors will receive as a result of this decision. Mark briefly described the estimated fees that both his firm S&Lutions, (company owned by Stevens and Lee) and the bond counsel from Stevens and Lee were estimated at \$200,000. Mark was also careful to add that these fees are less than fees charged to the County in previous bond financings.

Commissioner Gajewski presented information indicating that the current fees being proposed were also considerably lower than what many of the surrounding counties have paid to date.

Reports

The County's Deputy Controller, Mark Hanson and County Treasurer, Nelson Long, CPA presented their weekly reports to the board.

Treasurer Nelson then described the MH/MR Health Choices accounts that currently contain over \$21 million are being moved from Wachovia to National Penn due to the 2.11% interest they offer. Nelson said that the additional interest could accrue as much as \$450,000 in one year.

Citizen Comment/Business From The Floor

There being no further business, the meeting was adjourned to salary board at 11:15 A.M.